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June 25, 2008

DIV. OF OIL, GAS & MININGState of Utah
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801**Via Fax: (801) 359-3940****Attention: Beth Erickson**

Dear Beth:

Re: Palladon Iron Corporation (the "Company")

Our auditors, BDO Dunwoody LLP, are currently conducting an examination of the financial statements of the Company for the year ended February 29, 2008. Our records indicate that as at that date, the Company has a bond in full force and effect as follows:

Bond No.

Issued by Travelers Casualty and Surety Company of America as surety;

In the amount of US\$1,299,100;

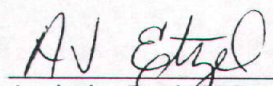
In favor of the State of Utah, Division of Oil, Gas and Mining (Division) and the U.S.D.I. – Bureau of Land Management, as Obligee;

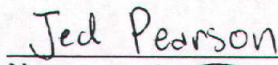

Covering an indefinite term which began on April 18, 2005 and ends with the cancellation of said bond;

The bond will continue in full force and effect until cancelled.

If you are in agreement, confirm directly with our auditors by signing as indicated below and return this letter directly to BDO Dunwoody LLP by fax at (604) 689-9773 and follow up by mail. If you do not agree, kindly advise our auditors with details of all differences by contacting Trevor Campbell at tcampbell@bdo.ca.

Yours truly,


Annjanine Etzel, CFO

I confirm the above information as correct and am authorized to sign on behalf of my organization.
Name
Position & Organization
Signature
Date

Exceptions, if any: _____